

May 24, 2000

The Honorable James M. Inhofe, Chairman
Subcommittee on Clean Air, Wetlands,
Private Property and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Fiscal Year 2000 Energy and Water Development Appropriations Act, Senate Report 106-58 and House Report 106-253, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. As further directed in House Report 106-253, we have expanded the monthly report to include regulatory reform efforts affecting power reactor operations beyond 10 CFR Part 50, particularly NRC efforts to harmonize NRC security regulations with Part 50. We have also expanded the monthly report to include the status of all license renewal applications that are under active review and other NRC initiatives in developing implementation guidance for the license renewal rule. I am pleased to transmit the seventeenth report, which covers the month of April (Enclosure 1).

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During this reporting period, the Commission amended its regulations to add the Holtec HI-STORM 100 and Transnuclear TN-68 cask system to the list of approved dry cask storage systems for the storage of spent fuel. Like the addition of the Transnuclear TN-32 dry cask system discussed in last month's report, the approval of these casks' final rule packages provides NRC licensees additional flexibility in managing the handling and storage of spent fuel generated by their reactor operations. The Commission also approved a final rule that amends 10 CFR Part 50, Appendix K, "ECCS Evaluation Models." The amendment will facilitate small but cost-beneficial power uprates for commercial nuclear power plants seeking to utilize the improved feedwater flow measurement systems. While all plants could conceivably benefit from this risk-informed rulemaking, if only 50 of the 103 current operating plant licensees pursue a marginal power uprate, they would share an annual benefit ranging from \$50 million to \$135 million.

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Since our March report, the Commission and the NRC staff also:

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I have enclosed (Enclosure 2) the April update to the Tasking Memorandum which delineates the specific initiatives completed by the agency since August 1998 and future milestones.

Please do not hesitate to contact me if I may provide additional information.

Sincerely,

/RA/

Richard A. Meserve

Enclosures:

1. Monthly Report
2. Tasking Memorandum

cc: Senator Bob Graham

May 24, 2000

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Power
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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Richard A. Meserve

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2. Tasking Memorandum

cc: Representative Rick Boucher

May 24, 2000

The Honorable Ron Packard, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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Richard A. Meserve

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2. Tasking Memorandum

cc: Representative Peter J. Visclosky

May 24, 2000

The Honorable Pete V. Domenici, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

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2. Tasking Memorandum

cc: Senator Harry Reid

May 24, 2000

The Honorable Tom Bliley, Chairman
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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cc: Representative John D. Dingell

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Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

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Please do not hesitate to contact me if I may provide additional information.

Sincerely,

/RA/

Richard A. Meserve

Enclosures:

1. Monthly Report
2. Tasking Memorandum

cc: Senator Max Baucus

May 24, 2000

The Honorable Pete V. Domenici
United States Senate
Washington, D.C. 20510

Dear Senator Domenici:

The Fiscal Year 2000 Energy and Water Development Appropriations Act, Senate Report 106-58 and House Report 106-253, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. As further directed in House Report 106-253, we have expanded the monthly report to include regulatory reform efforts affecting power reactor operations beyond 10 CFR Part 50, particularly NRC efforts to harmonize NRC security regulations with Part 50. We have also expanded the monthly report to include the status of all license renewal applications that are under active review and other NRC initiatives in developing implementation guidance for the license renewal rule. I am pleased to transmit the seventeenth report, which covers the month of April (Enclosure 1).

The March report provided information on a number of significant NRC activities. These activities included the completion of the 12th annual Regulatory Information Conference. The Commission also published a final rule that added the Transnuclear TN-32 dry cask system to the list of approved dry cask storage systems for the storage of spent fuel. Approval of this final rule provides NRC licensees additional flexibility in managing the handling and storage of spent fuel generated by their reactor operations.

During this reporting period, the Commission amended its regulations to add the Holtec HI-STORM 100 and Transnuclear TN-68 cask system to the list of approved dry cask storage systems for the storage of spent fuel. Like the addition of the Transnuclear TN-32 dry cask system discussed in last month's report, the approval of these casks' final rule packages provides NRC licensees additional flexibility in managing the handling and storage of spent fuel generated by their reactor operations. The Commission also approved a final rule that amends 10 CFR Part 50, Appendix K, "ECCS Evaluation Models." The amendment will facilitate small but cost-beneficial power uprates for commercial nuclear power plants seeking to utilize the improved feedwater flow measurement systems. While all plants could conceivably benefit from this risk-informed rulemaking, if only 50 of the 103 current operating plant licensees pursue a marginal power uprate, they would share an annual benefit ranging from \$50 million to \$135 million.

Since our last report, the staff conducted the last of the Operational Safeguard Response Evaluations (OSREs) in the current cycle, at the Perry Nuclear Power Station and the Quad Cities nuclear power plant. The OSRE is a special NRC review to assess a plant's security systems and its staff's capabilities to respond to simulated security incidents at the plant. As discussed in Enclosure 1, the staff is engaged in a comprehensive rulemaking to revise and risk-inform the entire security program for nuclear reactors. This rulemaking is expected to take three years to complete and is intended to result in a new program that will provide a high level of assurance of protection against the design basis threat for radiological sabotage. Since the final rule is not expected to be published for three years, the staff has taken steps to fill in the gap between May 2000 and the time when the new rule is in place. The staff and industry continue to work on a voluntary industry initiative called the Safeguards Performance Assessment (SPA) which is expected to be presented to the Commission for endorsement by late-summer 2000. According to this schedule, the SPA would be available for implementation by the licensees by late-2000. In the interim, additional OSREs will be conducted at sites that have either not had an OSRE since the early phases of the program (early 1990s) or that have performed below expectations on security inspections or OSREs. It is expected that these interim OSREs will be conducted at a rate of about one every six weeks and they will continue until the SPA is implemented.

Since our March report, the Commission and the NRC staff also:

- requested the National Academy of Sciences (NAS) Board on Energy and Environmental Systems to conduct a 9-month study and provide recommendations on possible alternatives for the control of slightly contaminated radioactive materials originating at licensed nuclear facilities. In addition, the Commission held public meetings at its headquarters in Rockville, Maryland, on May 3 and May 9 to discuss this issue with the NRC staff and a wide array of stakeholders.
- met with the U.S. Enrichment Corporation (USEC) to discuss USEC's plan for the proposed layoffs at the two uranium enrichment gaseous diffusion plants located in Piketon, Ohio, and Paducah, Kentucky. Discussed at the meeting were USEC's and NRC plans to ensure that during and after the layoffs, USEC continues to maintain safety and safeguards at its facilities.
- authorized the San Onofre Units 2 and 3 licensee to implement a risk-informed inservice testing program as an alternative to meeting certain American Society of Mechanical Engineers Operations and Maintenance Code requirements. This alternative will allow significant reduction of the testing of certain pumps and valves of low safety significance.
- issued the final "Standard Review Plan (SRP) for the Review of a License Application for the Tank Waste Remediation System Privatization (TWRS-P) Project," NUREG-1702. The SRP will be used by NRC staff in reviewing the Construction Authorization for TWRS-P.

- met with Westinghouse to discuss Westinghouse's approach to applying NRC approved and accepted 95/95 uncertainty methodology to facilitate plant uprates up to 1.2 percent rated thermal power. The approach is consistent with NRC's recently issued final rule that amends 10 CFR Part 50, Appendix K, "ECCS Evaluation Models." The first licensee submittal to utilize the Westinghouse approach is currently anticipated early next year.

I have enclosed (Enclosure 2) the April update to the Tasking Memorandum which delineates the specific initiatives completed by the agency since August 1998 and future milestones.

Please do not hesitate to contact me if I may provide additional information.

Sincerely,

/RA/

Richard A. Meserve

Enclosures:

1. Monthly Report
2. Tasking Memorandum

MONTHLY STATUS REPORT ON THE
LICENSING ACTIVITIES AND REGULATORY DUTIES OF THE
UNITED STATES NUCLEAR REGULATORY COMMISSION

April 2000

Enclosure 1

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I. Implementing Risk-Informed Regulations

The NRC continues to make progress on tasks involving use of probabilistic risk information in five general areas: Rulemaking and Generic Communications; Licensing Activities; Reactor Oversight (Inspection, Enforcement, and Licensee Performance Assessment); Events Assessment; and Probabilistic Risk Analysis Methods and Standards. Summarized below are noteworthy accomplishments in the areas of Probabilistic Risk Analysis Methods and Standards (involving Technical Specifications), and Licensing Activities (involving inservice testing):

Probabilistic Risk Analysis Methods and Standards

The NRC staff has been meeting regularly with the industry Risk-Informed Technical Specifications Task Force (RITSTF) to discuss Probabilistic Risk Assessment work and other work being done to support the current technical specification initiatives being prepared for review by the NRC. These initiatives are expected to result in giving licensees more latitude in operational decisions, removing some overly prescriptive aspects of current technical specifications, and relegating some testing requirements to other documents.

Recently, the RITSTF has made proposals to the staff on two initiatives (one which would increase the time allowed to delay entering required actions when a surveillance is missed, and another which would modify existing mode restraint logic to allow the use of risk assessments to determine acceptability of entry into higher operational reactor modes with inoperable equipment). The NRC plans to issue safety evaluation reports on these proposals. In addition, the NRC expects to receive proposals on other initiatives later this year and in 2001.

Risk-Informed Licensing Activities

During March, the NRC authorized the San Onofre Units 2 and 3 licensee to implement a risk-informed inservice testing program as an alternative to meeting certain ASME Operations and Maintenance Code requirements. This alternative will allow significant reduction of the testing of certain pumps and valves of low safety significance.

Also during March, NRC issued a license amendment to Grand Gulf Nuclear Station (GGNS) authorizing revision of the GGNS licensing basis by approving a limited scope implementation of one of the alternate source term insights described in NUREG-1465, "Accident Source Terms for Light Water Nuclear Power Plants." The amendment allows a change in the GGNS Updated Final Safety Analysis Report (UFSAR) for the timing assumed for the onset of fission product release from failed fuel rods; i.e., gap activity release, following a postulated design basis loss-of-coolant accident. The timing of the gap activity release phase of a severe accident may now be delayed by up to 121 seconds instead of the instantaneous release previously specified in the GGNS UFSAR. Grand Gulf is the first BWR to implement this particular provision of the alternate source term. Benefits anticipated from implementation of this design basis change include improvements in performance and reliability of primary containment isolation valves. With a longer allowable stroke time for closure, the valve actuators can be modified to decrease component stresses and improve both reliability and margin for weak link components. Operations improvements are also anticipated resulting from increased valve availability due to fewer occurrences of inoperability from failure to meet surveillance testing requirements.

II. Revised Reactor Oversight Process

The staff has continued to meet on approximately a biweekly basis with the Nuclear Energy Institute and other stakeholders to refine the proposed changes to its oversight process. Recent activities include the following:

- ! The NRC issued Regulatory Issue Summary (RIS) 2000-08, "Voluntary Submission of Performance Indicator Data," on March 29, 2000, to inform power reactor licensees that the NRC will begin implementation of its revised reactor oversight process (RROP) on April 2, 2000. This RIS also provides information on the process to be used by licensees to voluntarily submit performance indicator data to the NRC beginning April 21, 2000. The performance indicator data submitted will provide input to the NRC process for overseeing the performance of nuclear reactor plants.
- ! On April 7, 2000, the Technical Training Center (TTC) staff completed the region-based RROP Training for NRC inspectors. The training provided a good understanding of the RROP to all NRC inspection staff prior to initial implementation.
- ! On March 31, 2000, the NRC issued its Plant Performance Reviews (PPRs) for 90 nuclear power plants and made them available on the NRC web site. Thirteen nuclear plants, which participated in a pilot test of the agency's RROP, received mid-cycle performance assessments late last year and will receive end of cycle assessment in May 2000. These PPRs mark the last of this type of assessment now that initial implementation of the RROP has commenced.

PPRs are an interim measure the NRC has used to assess nuclear power plant safety, after suspending the Systematic Assessment of Licensee Performance (SALP) in 1998 while it developed a revised reactor oversight process. PPRs consist of an in-depth, integrated assessment of overall plant performance. The primary purpose of these reviews is to evaluate safety performance information and identify any changes in plant performance so NRC can allocate inspection resources appropriately. The text of each PPR letter is available from the NRC Office of Public Affairs and has been posted on the NRC web site. During the interim process, the NRC has continued its practice of meeting publicly with licensees to discuss its performance assessments, an important element of the previous SALP process.

Under the new program, the NRC will conduct quarterly reviews of performance indicators and inspection findings and issue assessment letters and updates to each plant's inspection plans on a semi-annual basis.

- ! On March 29, 2000, the Commission approved initial implementation of the NRC's revised reactor oversight process at all commercial nuclear power plants (with the exception of the D.C. Cook units, due to their extended shutdown) beginning in April 2, 2000. This Commission also approved termination of the SALP process. The NRC will continue to assess the efficacy of this new process and expects to make additional refinements to the program during the first year of implementation.

The RROP reflects several important themes for all of NRC's activities -- a focus on safety, an effort to improve objectivity, a commitment to stakeholder involvement, and improved transparency of agency activities for both licensees and the general public.

III. Status of Issues in the Reactor Generic Issue Program

Changes in the status or resolution dates for Generic Issues since the March 2000 report and the reasons for the changes are described below:

GSI Number: B-17
TITLE: Criteria for Safety Related Operator Actions
STATUS: This issue is closed and will no longer be tracked as a Generic Issue. No additional regulatory requirements were found to be necessary based on the staff's conclusion that the following actions taken by licensees, in response to regulatory requirements issued since the issue was identified, addressed the safety concern: enhanced operator training and licensing requirements, including plant specific simulators; improved training, based on the Systems Approach to Training for all covered staff; increased plant staffing; implementation of symptom-based emergency operating procedures; and the completion of the individual plant examination (IPE) program at all operating plants.

IV. Licensing Actions and Other Licensing Tasks

Licensing actions may be defined as requests for: license amendments, exemptions from regulations, relief from inspection or surveillance requirements, topical reports submitted on a plant-specific basis, notices of enforcement discretion, or other licensee requests requiring NRC review and approval before it can be implemented by the licensee. The FY 2000 NRC Performance Plan incorporates three output measures related to licensing actions. These are: size of the licensing action inventory, number of licensing action completions per year, and age of the licensing action inventory.

Other licensing tasks may be defined as: licensee responses to NRC requests for information through generic letters or bulletins, NRC responses to 2.206 petitions, NRC review of licensee topical reports, NRR responses to regional requests for assistance, and NRC review of licensee 10 CFR 50.59 analyses and FSAR updates. The FY 2000 NRC Performance Plan incorporates one output measures related to other licensing tasks. This is: number of other licensing tasks completed.

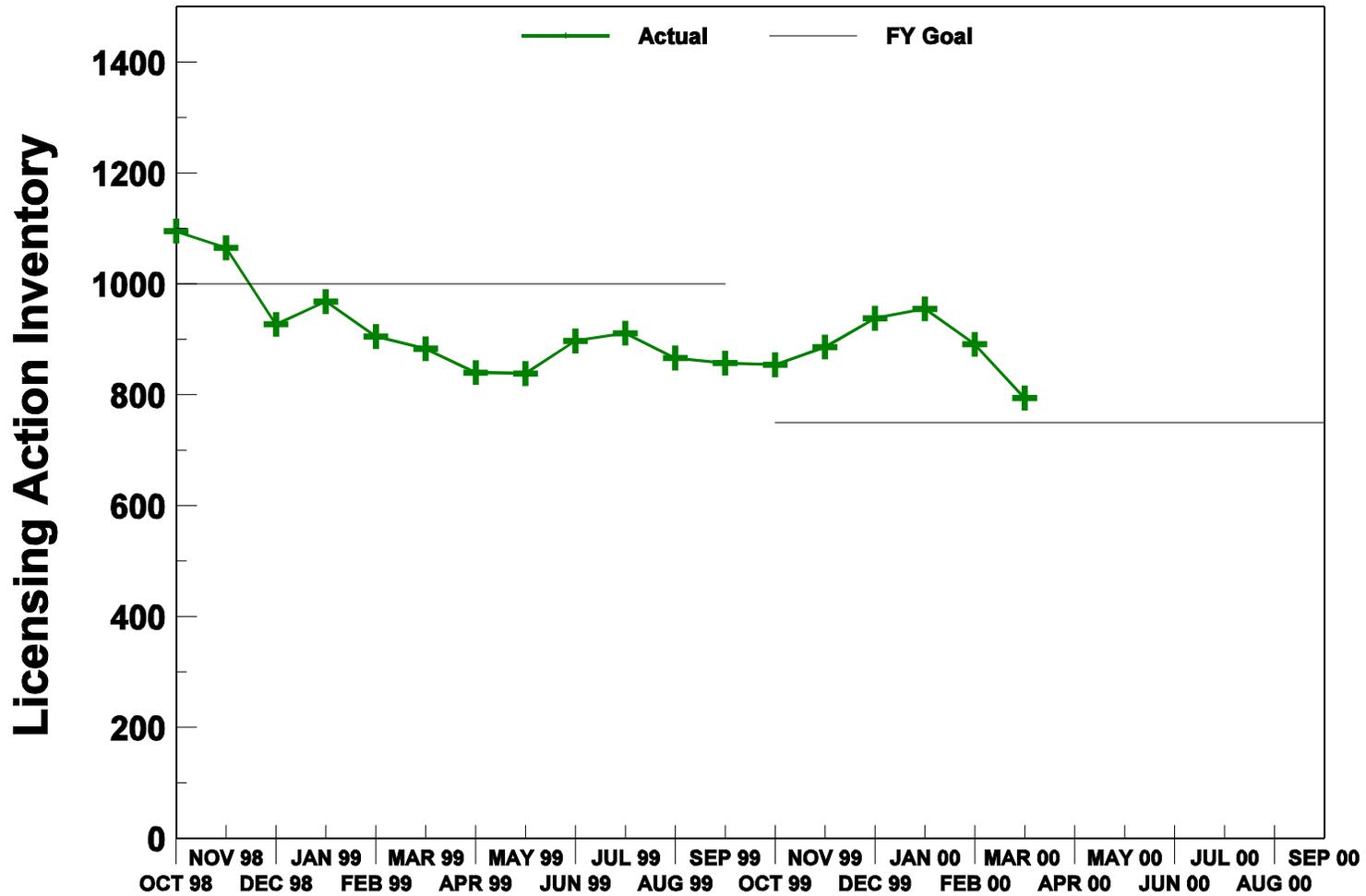
The actual FY 1998 and FY 1999 results, the FY 2000 goals and the actual FY 2000 results, through the end March 2000, for the four NRC Performance Plan output measures for licensing actions and other licensing tasks are shown in the table below.

PERFORMANCE PLAN				
Output Measure	FY 1998 Actual	FY 1999 Actual	FY 2000 Goals	FY 2000 Actual (thru 03/31/2000)
Licensing actions completed/year	1425	1727	1500	825
Size of licensing actions inventory	1113	857	750	794
Age of licensing action inventory	65.6% # 1 year; 86.0% # 2 years; and 95.4% # 3 years old	86.2%# 1 year; 100% # 2 years; and 100% # 3 years old	95% # 1 year and 100% # 2 years old	89.7% # 1 year; 98.4% # 2 years; and 1.6% > 2 years old
Other licensing tasks completed/year	1006	939	800	738

The following charts demonstrate NRC's progress in meeting the four licensing action and other licensing task output measure goals.

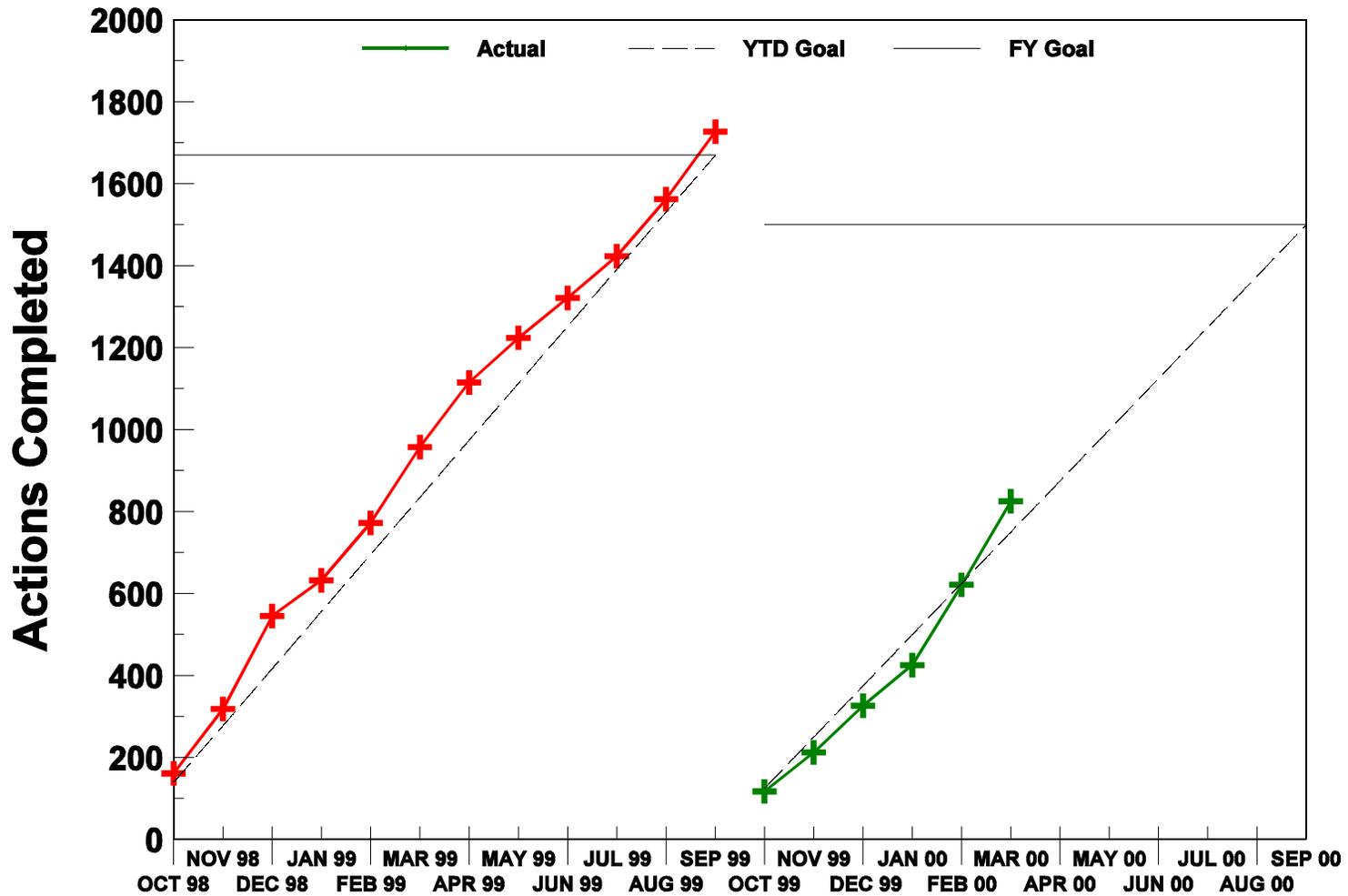
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Licensing Action Inventory



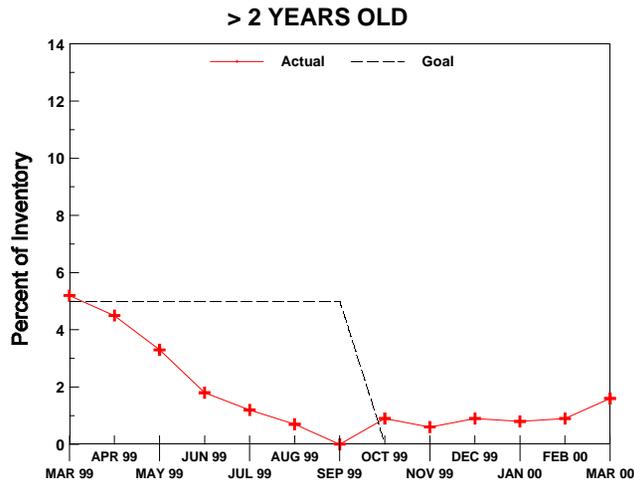
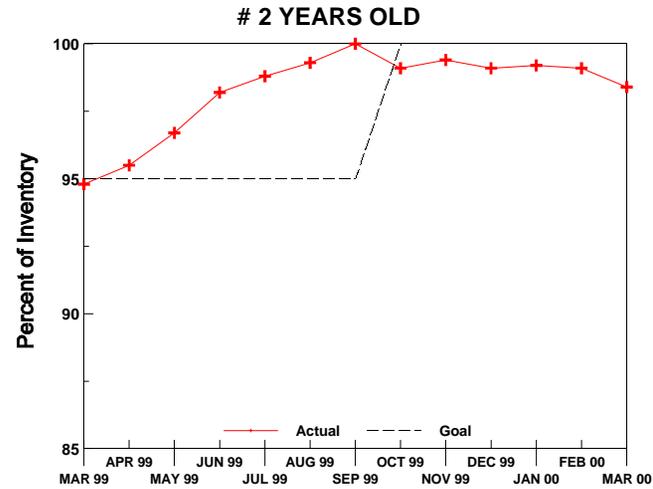
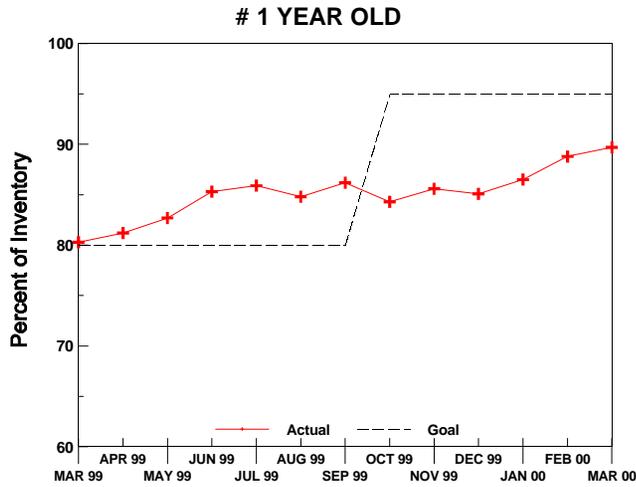
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Licensing Actions



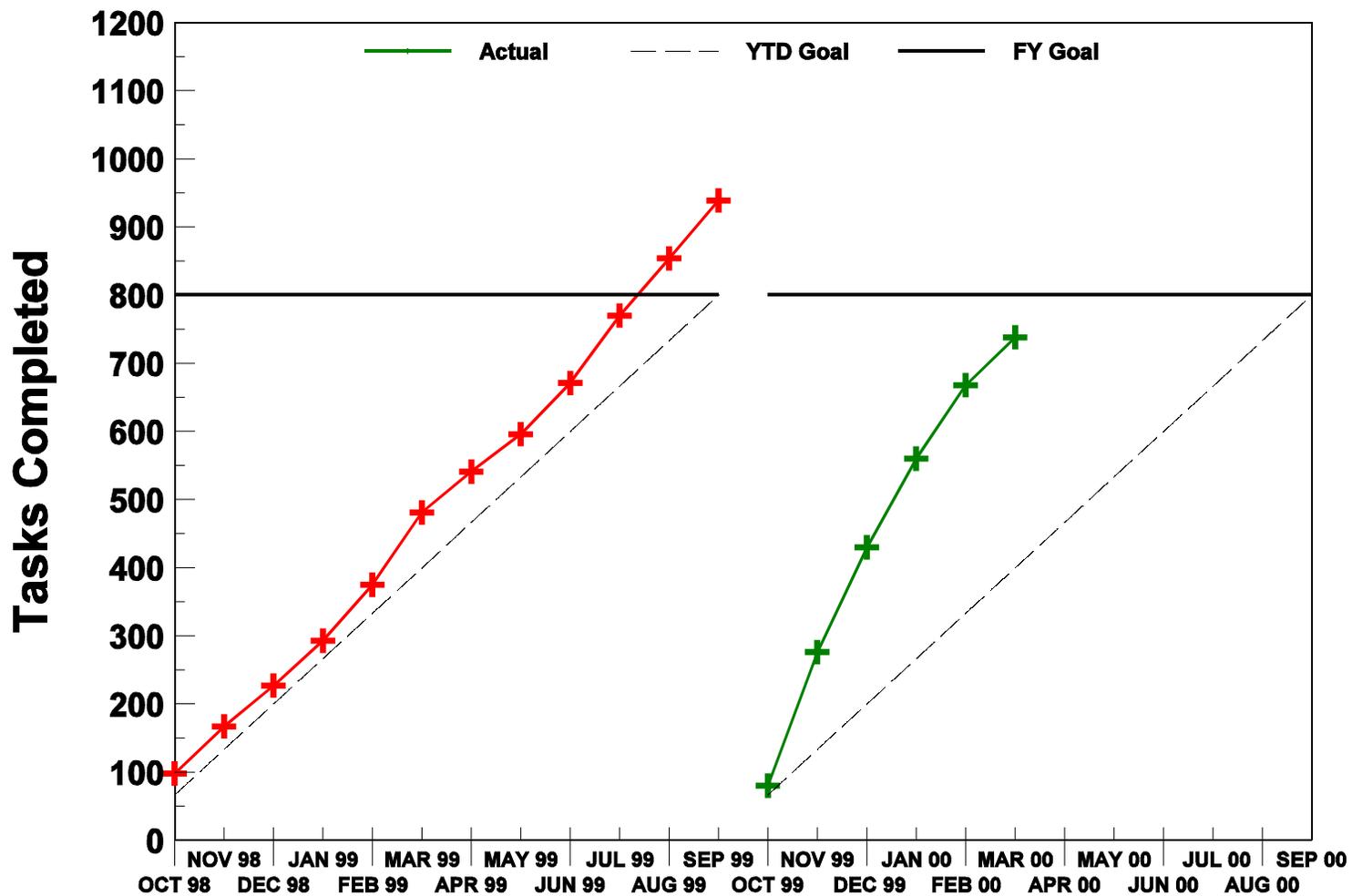
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



V. Status of License Renewal Activities

Calvert Cliffs Renewal Application

The renewed licenses for Calvert Cliffs were issued on March 23, 2000, completing the NRC's review of the license renewal applications.

The Commission's denial of a request for hearing on the Calvert Cliffs application was appealed to the Court of Appeals for the D.C. Circuit. On April 11, 2000, the court issued its decision denying the petition for review. The petitioner has 45 days to seek rehearing in the Court of Appeals and 90 days to seek Supreme Court review. The petitioner has been quoted in the press that it intends to appeal the decision.

Oconee License Renewal Application

All activities associated with the review of the Oconee license renewal application are on schedule. The NRC staff's recommendation regarding issuance of the renewed licenses was provided to the Commission on April 10, 2000. Additionally, on May 3, 2000 a Commission Meeting was held to discuss this topic. A Commission decision on issuance of the renewed license is scheduled by June 2000 with issuance of the licenses, if approved, by early July 2000.

Arkansas Nuclear One, Unit 1, Renewal Application

On February 1, 2000, the NRC received an application for renewal of the Arkansas Nuclear One, Unit 1, operating license. On April 27, 2000, the staff held a public meeting with Entergy to discuss the technical review of the ANO-1 license renewal application. Much of the initial review is complete. The staff developed the initial drafts for most of the requests for additional information (RAIs) and initial drafts of portions of the safety evaluation. Approximately 15 percent of the requests for additional information (RAI) have been sent to the applicant, and the remaining RAIs are currently being reviewed and finalized. The environmental scoping process has begun and a public scoping meeting was held in the vicinity of the site on April 4, 2000. No requests for hearing were received in response to the March 3, 2000, public notice of an opportunity for hearing. Without a hearing, time required for the review of the application is being reduced from 30 months to 25 months with a final decision on issuance of the license scheduled for March 2002.

Hatch, Units 1 and 2, Renewal Application

On March 1, 2000, the NRC received an application for renewal of the Hatch, Units 1 and 2, operating licenses. The NRC staff has completed its acceptance review and has issued a public notice of its acceptance of the application for docketing and an opportunity for hearing. The application is currently under review and the staff is preparing requests for additional information. The environmental scoping process has begun and a public scoping meeting in the vicinity of the site is scheduled for May 10, 2000. Until it is determined whether a hearing will be conducted, a 30-month review schedule has been established and a final decision on issuance of the license is scheduled for August 2002.

License Renewal Implementation Guidance Development

The NRC staff is continuing development of implementation guidance for the license renewal rule with input from interested stakeholders. A draft Generic Aging Lessons Learned (GALL) report was prepared and made publicly available. Additionally, sections of the draft standard review plan were issued for preliminary review and comment by stakeholders. The staff is also revising the draft license renewal regulatory guide which provides guidance on the standard format and content of a license renewal application. The revised standard review plan, GALL report, and regulatory guide are scheduled to be issued in August 2000 to obtain public comments.

VI. Status of Review of Private Fuel Storage, Limited Liability Corporation's Application for a License to Operate an Independent Spent Fuel Storage Installation on the Reservation of the Skull Valley Band of Goshute Indians

During this reporting period, Private Fuel Storage, Limited Liability Corporation informed the staff of two major changes to its license application. First, a request was received from the Chairman of the Board of Private Fuel Storage, Limited Liability Corporation, for NRC staff to suspend any further licensing activity regarding the BNFL Fuel Solutions TranStor cask system. Second, Private Fuel Storage, Limited Liability Corporation revised its cost-benefit analysis to use a more realistic fuel loading algorithm. At the same time, one of the cooperating federal agencies, the U.S. Department of Interior's Bureau of Land Management, informed NRC staff that Environmental Impact Statements for major land use plan amendments, such as the one before the Bureau for the proposal to build a new rail line to the proposed Private Fuel Storage Facility, require 90 day public comment periods rather than the 60 days previously scheduled. Notification of the proposed changes to the Private Fuel Storage application and of the expanded time period for public comment reached NRC staff as the Draft Environmental Impact Statement was being completed and prepared for final review by the three cooperating federal agencies (The U.S. Surface Transportation Board and the U.S. Department of Interior's Bureau of Indian Affairs being the other two). The issues are currently being considered by NRC and will be reported in a subsequent status report.

Litigation in the adjudicatory proceeding on the Private Fuel Storage, Limited Liability Corporation application continued during this reporting period.

VII. Enforcement Process and Summary of Reactor Enforcement by Region

Reactor Enforcement by Region

		Reactor Enforcement Actions*				
		Region I	Region II	Region III	Region IV	TOTAL
Severity Level I	March 2000	0	0	0	0	0
	FY 2000 YTD	0	0	0	0	0
	FY 99 Total	0	0	0	0	0
	FY 98 Total	0	0	0	0	0
Severity Level II	March 2000	0	0	0	0	0
	FY 2000 YTD	1	2	0	0	3
	FY 99 Total	5	0	2	0	7
	FY 98 Total	3	1	1	1	6
Severity Level III	March 2000	0	0	0	0	0
	FY 2000 YTD	1	0	2	3	6
	FY 99 Total	9	2	7	8	26
	FY 98 Total	46	11	15	19	91
Severity Level IV	March 2000	0	0	0	1	1
	FY 2000 YTD	0	1	0	3	4
	FY 99 Total	52	42	57	60	211
	FY 98 Total	383	271	392	261	1307
Non-Cited Severity Level IV	March 2000	34	20	18	34	106
	FY 2000 YTD	186	111	154	154	605
	FY 99 Total	343	267	334	305	1249
	FY 98 Total	372	240	307	214	1133

*Numbers of violations are based on enforcement action tracking (EATS) system data that may be subject to minor changes following verification. The number of Severity Level I, II, III listed

refers to the number of Severity Level I, II, III violations or problems. The monthly totals generally lag by 30 days due to inspection report and enforcement development.

Escalated Reactor Enforcement Actions Associated with the Revised Reactor Oversight Process						
		Region I	Region II	Region III	Region IV	Total
NOVs related to white, yellow or red findings	March 2000 -Red	0	0	0	0	0
	-Yellow	0	0	0	0	0
	-White	1	0	0	0	1
	FY 2000	2	1	0	0	3

Description of Significant Actions taken in March 2000

New York Power Authority, FitzPatrick Nuclear Power Plant (EA 99-325)

On March 20, 2000, a Notice of Violation was issued for a violation associated with an issue of White significance (low to moderate safety significance) involving a High Pressure Coolant Injection (HPCI) pump overspeed event which occurred on October 14, 1999. The NRC concluded that the assumptions and uncertainties contained in the licensee’s evaluation of the event did not provide adequate justification for a reduced safety significance. The NRC concluded that the New York Power Authority (NYPA) failed to identify and correct problems with the HPCI governor control system. Specifically, NYPA failed to properly set the HPCI system hydraulic oil operating pressure. The improper oil operating pressure resulted in abnormalities in HPCI governor control system performance and could have resulted in an overspeed trip during a system injection. In addition, HPCI system performance monitoring was ineffective as evidenced by the failure of NYPA to identify the problems with hydraulic oil pressure, spring tension, and general degradation of the system. Because these failures to identify and correct conditions adverse to quality associated with the HPCI system were associated with a White issue, they were cited in a Notice of Violation.

VIII. Power Reactor Security Regulations

The NRC staff is continuing its work to risk-inform 10 CFR 73.55, “Requirements for physical protection of licensed activities in nuclear power reactors against radiological sabotage,” and associated power reactor security regulations. On April 12, 2000, the Commission approved the performance criteria that would be used to develop security plans, target sets, and scenarios for testing. These performance criteria would (1) be linked to plant operating conditions, (2) further risk-inform the process, and (3) incorporate engineering and operational

aspects into the response to an adversary act. The staff is continuing to hold periodic meetings with the stakeholders to achieve insights into this process.

The staff conducted the last of the Operational Safeguard Response Evaluations (OSREs) in the current cycle, at the Perry Nuclear Power Station and the Quad Cities nuclear power plant. Neither OSRE resulted in any adverse findings. The OSRE is a special NRC review to assess a plant's security systems and its staff's capabilities to respond to simulated security incidents at the plant. As discussed above, the staff is engaged in a comprehensive rulemaking to revise and risk-inform the entire security program for nuclear reactors. This rulemaking is expected to take three years to complete and is intended to result in a new program that will provide a high level of assurance of protection against the design basis threat for radiological sabotage. Since the final rule is not expected to be published for three years, the staff has taken steps to fill in the gap between May 2000 and the time when the new rule is in place. The staff and industry continue to work on a voluntary industry initiative called the Safeguards Performance Assessment (SPA) which is expected to be presented to the Commission for endorsement by late-summer 2000. According to this schedule, the SPA would be available for implementation by the licensees by late-2000. In the interim, additional OSREs would be conducted at sites that have either not had an OSRE since the early phases of the program (early 1990s) or which have performed below expectations on security inspections or OSREs. It is expected that these interim OSREs will be conducted at a rate of about one every six weeks and they will continue until the SPA is implemented.